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**CONSTRUCTION MANAGER PLEADS GUILTY TO FEDERAL
CHARGES OF ILLEGALLY REMOVING ASBESTOS IN MANHATTAN**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that CONSTANTINE FOTOS, a construction manager for Philips International Holding Corp. ("Philips"), a New York City real estate management company, pled guilty in Manhattan federal court late Friday to removing asbestos illegally from a building located at 13-25 Astor Place in Manhattan and obstructing a United States Occupational Safety and Health Administration ("OSHA") investigation.

As the Information explains, FOTOS caused asbestos, a hazardous air pollutant, to be removed from the building in violation of Environmental Protection Agency ("EPA")-issued work practice standards. These work practice standards apply to building renovations involving at least 260 linear feet on pipes and 160 square feet on other parts of a building of asbestos-containing material, and require that the EPA be notified at least 10 days before the asbestos removal. Because asbestos is a

hazardous air pollutant, as set forth in the Information, EPA has strict rules regarding supervision and training for asbestos removal jobs, as well as specific, well-defined directives for handling asbestos in order to protect its handlers and the public.

According to the Information, Philips, FOTOS' employer, is a real estate management company based in Manhattan and was responsible for overseeing demolition and renovation work at the building located at 13-25 Astor Place. In or about late December 1997, FOTOS received an environmental report on the building which stated that there was in excess of 260 linear feet and 160 square feet of asbestos material in the building and concluded that "prior to continuing with renovation at the facility, this material should be abated by an appropriately licensed contractor." A second report confirmed to FOTOS in January 1998 that the building contained significant amounts of asbestos.

The Information charges that in August 1998 FOTOS arranged for a contractor to be hired to do the demolition work, and the contractor in turn hired a sub-contractor to perform the work. Neither the contractor nor the subcontractor was licensed to remove asbestos material. During the fall of 1998, FOTOS assigned a Philips employee to be present in the building and to supervise the demolition work, but failed to disclose to the employee or the workers that the building contained asbestos.

During the fall of 1998, workers employed by the sub-contractor performed demolition work in 13-25 Astor Place, including the removal of asbestos-containing insulation on pipes and ducts and other asbestos-containing building components.

According to the Information, the workers did not follow the asbestos work practice standards. For example, the workers did not wet the asbestos material before removing it; allowed the asbestos material to drop to the floor; and instead of sealing the asbestos material in leak-tight containers dumped the asbestos material from a window and down a chute into an open container in the street.

As the Information charges, on or about April 20, 1999, in an interview with OSHA investigators, FOTOS falsely stated that he was unaware both that there was asbestos in the building at 13-25 Astor Place and that an environmental report had revealed asbestos there.

In entering his plea of guilty to the Information, FOTOS admitted that in October 1998 he caused workers to remove asbestos material during demolition work at 13-25 Astor Place. FOTOS also admitted that he did not provide the EPA with notice of the asbestos removal work in the building, that he knew that asbestos removal would not be done in compliance with legal requirements, and that he also knew that he was responsible for

ensuring that those legal requirements were met. FOTOS also admitted that he had attempted to mislead OSHA investigators by falsely stating that he had no knowledge that asbestos was present in the building located at 13-25 Astor Place.

FOTOS faces a maximum sentence of 10 years in prison and a fine of \$500,000. Sentencing is scheduled for April 23, 2004, at 4:00 p.m. before United States District Judge BARBARA S. JONES.

Mr. KELLEY praised the efforts of the FBI, the EPA's Criminal Investigations Division, and the United States Department of Labor's Office of Inspector General in the investigation of this case.

Assistant United States Attorney BRET R. WILLIAMS is in charge of the prosecution.

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